

# LBJ Plugs Up CIA's Secret Cash Conduits

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Washington (AP)—President Johnson ordered the Central Intelligence Agency yesterday to get out of the business of subsidizing private groups through secret, under-the-table deals.

At the same time, Johnson promised to give serious consideration to the creation of a new institution that would continue such federal subsidies, but would do so openly. The President acted after receiving recommendations from a panel he appointed after an international controversy was stirred up last month by disclosure that the CIA had been secretly financing overseas activities by private educational, labor, philanthropic and cultural organizations.

In a statement of his own, Johnson directed all federal agencies to implement the following recommendations made by the panel: "No federal agency shall provide any direct financial assistance or support, direct or indirect to any of the nation's educational or private voluntary organizations . . . Where such support has been given, it will be terminated as quickly as possible without destroying valuable private organizations before they can secure a means of support."

However, the report also said: "The security of the nation may be at stake, it is impossible for the President to state categorically now that there will never be a contingency in which overriding national security interests may require an exception."

The committee recommended that the government should promptly develop and establish a public-private mechanism to provide public funds openly for overseas activities of organizations which are adjudged deserving, in the national interest, of public support." The President said he was appointing Secretary of State Rusk to head a public-private committee to recommend how that could be done.

The chairman of the group that reported to Johnson was Undersecretary of State Nicholas deB. Katzenbach. The other members were CIA Director Richard Helms and Secretary of Health, Education and Welfare Gardner. Within hours after this committee was formed, the CIA, whose secrets usually go to the grave with top security agents, was digging into hundreds of pages of files, scheduling interviews with affected foundations and working many of its employees up to 18 hours a day to provide answers to the committee's memorandums.

New York (AP)—Ramparts magazine, which last month exposed Central Intelligence Agency financing of American student and other groups, says in its April issue that the CIA is using foreign student associations to turn members into spies against their homelands. Six CIA agents move from campus to campus, the article says, posing as Defense Department representatives and offering a combination of threats and cash payments "up to \$10,000 a year" to "engage in subversion against the student's government."